

2007 Benefit Design: PERSCare

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|---|-----------------------|---|-----------------|
| Current Basic Plan Rate Increase | | 13.40% | \$763.97 |
| Benefit Options | Annual Savings | Single Party Monthly Rate Increase Reduction | |
| ER co-pay (\$50 to \$75) | \$0.1 million | 0.07% | \$0.49 |
| Plan Management Initiatives | Annual Savings | Single Party Monthly Rate Increase Reduction | |
| Imaging pre-authorization | \$0.4 million | 0.23% | \$1.58 |
| Urgent care preferred network | \$0.1 million | 0.07% | \$0.51 |
| Subtotal¹ | \$0.5 million | 0.31% | \$2.09 |
| Basic Plan Rate Increase with Benefit/Plan Mgmt. Changes² | \$0.7 million | 13.02% | \$761.39 |

¹ For the benefit option, the monthly *family* premium rate reduction is \$1.27, annualized to \$15.29. For both plan management initiatives, the reduction is \$5.43, annualized to \$65.21.

² Due to rounding, totals may not sum exactly.

2007 Benefit Design: PERS Choice

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|---|----------------|--|----------|
| Current Basic Plan Rate Increase | | 12.78% | \$451.78 |
| Benefit Options | Annual Savings | Single Party Monthly Rate Increase Reduction | |
| ER copay (\$50 to \$75) | \$1.0 million | 0.12% | \$0.50 |
| Hospital inpatient copay (\$0 to \$100) | \$1.2 million | 0.16% | \$0.63 |
| Subtotal ¹ | \$2.2 million | 0.28% | \$1.13 |
| Plan Management Initiatives | Annual Savings | Single Party Monthly Rate Increase Reduction | |
| Imaging pre-authorization | \$1.3 million | 0.16% | \$0.66 |
| Urgent care preferred network | \$0.9 million | 0.11% | \$0.45 |
| Subtotal ¹ | \$2.2 million | 0.28% | \$1.11 |
| Basic Plan Rate Increase with Benefit/Plan Mgmt. Changes ² | \$4.4 million | 12.22% | \$449.54 |
| New PPO Plan | | Single Party Monthly Rate Increase | |
| PERS Select | | 1.13% | \$4.52 |
| Basic Plan Rate Increase with <u>All</u> Changes ² | | 13.35% | \$454.06 |

¹ For both benefit options combined, the monthly *family* premium rate reduction is \$2.94, annualized to \$35.26. For both plan management initiatives combined, there would be a monthly family premium rate reduction of, \$2.89 annualized to \$34.63.

² Due to rounding, totals may not sum exactly.

2007 Benefit Design: PERS Select

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|---|-----------------------------------|---|-----------------|
| Current Basic Plan Rate Increase¹ | | 5.34% | \$421.96 |
| Benefit Options | Annual Savings² | Single Party Monthly Rate Increase Reduction | |
| ER copay (\$50 to \$75) | \$0.1 million | 0.12% | \$0.49 |
| Hospital inpatient copay (\$0 to \$100) | \$0.2 million | 0.16% | \$0.63 |
| Subtotal³ | \$0.3 million | 0.28% | \$1.12 |
| Plan Management Initiatives | Annual Savings² | Single Party Monthly Rate Increase Reduction | |
| Imaging pre-authorization | \$0.2 million | 0.16% | \$0.63 |
| Urgent care preferred network | \$0.1 million | 0.11% | \$0.44 |
| Subtotal³ | \$0.3 million | 0.27% | \$1.07 |
| Basic Plan Rate Increase with Benefit/Plan Mgmt. Changes⁴ | \$0.6 million | 4.79% | \$419.77 |

¹ PERS Select current basic plan rate increase calculated as the difference between PERS Choice 2006 and PERS Select proposed 2007 single premiums.

² Assumes PERS Select enrollment in each premium tier at 12.9 percent of PERS Choice. (The 15 percent estimate provided by Blue Cross included only in-state enrollment; 12.9 percent includes out-of-state.)

³ For both benefit options combined, the monthly *family* premium rate reduction is \$2.91, annualized to \$34.94. For both plan management initiatives, the reduction is \$2.78, annualized to \$33.38.

⁴ Due to rounding, totals may not sum exactly.